



# INTERNATIONAL EGG AND POULTRY REVIEW

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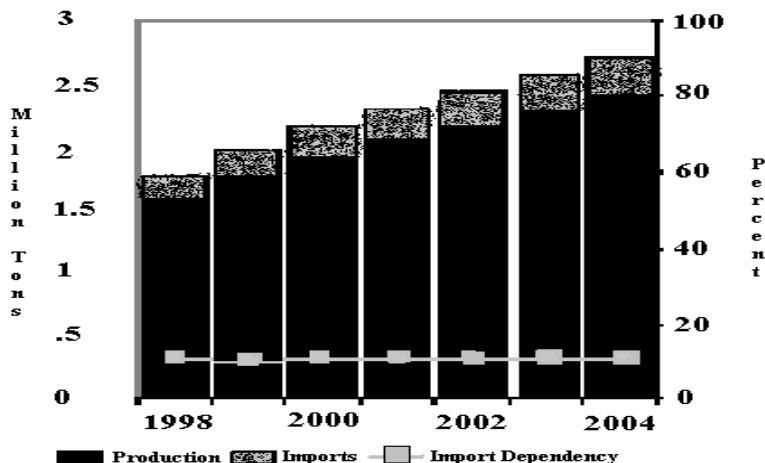
## Mexico

The Government of Mexico began sampling, testing and holding 2 percent of all meat and poultry shipments on a random basis on November 1, 2003, until test results are known. Samples will be tested for a variety of residues including heavy metals and antibiotics. The office of the Director General of Agricultural Health Inspection at the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) has suspended the test and hold provisions of NOM 030 in the event of a positive test for heavy metals.

Depending on the inspection point, the Agricultural Health Inspection Office (OISA) will retain the samples at the border points of entry into Mexico. Depending on the commercial movement at each point of entry, the quantity of shipments will be applied on either a daily, weekly or monthly basis. SAGARPA officials have indicated that they are going to strive to conduct the tests and release the shipments as fast as possible, possibly within three days. However, shipments in the past that were detained under the test and hold procedures applied to heavy metals have been typically held for 5-10 days.

Mexico is forecast to increase broiler imports approximately five percent to 295,000 metric tons in 2004 from 2003's projected imports of 280,000 tons. In 2002 the United States (U.S.) had 98% of total Mexican broiler imports. Using this market share for 2004, U.S. broiler producers might expect to export to Mexico 289,000 metric tons and have 5,780 metric tons retained and tested in 2004. Mexico is forecast to increase turkey imports from all countries five percent in 2004 to 163,000 metric tons from 2003's projected 155,000 metric tons. Approximately 3,260 tons could be retained for testing in 2004.

## Mexico's Imports From the U.S. Forecast to Increase 5 Percent Despite Safeguard on Chicken Leg Quarters



Source: USDA/FAS

## European Union

A combination of factors have caused egg prices in the European Union (EU) to climb to exceptionally high levels and in some cases, still climbing. Egg prices are expected to remain high at least until Christmas, 2003 if not until Easter, 2004.

## Average wholesale prices for in-shell eggs intended for direct consumption

Unpacked eggs, class A, in Euro per 100 pieces

Size		Sept. 30- Oct. 6, 2003	Oct. 1- 7, 2002	Percent change
XL	> 73 g	12.60	10.00	26.0
L	63 - 73 g	11.80	8.70	35.6
M	53 - 63 g	10.90	7.90	38.0
S	< 53 g	8.70	7.20	20.8

(Bayerische Warenbörse, München)

Source: ZMP (German Central Market- and Price Reporting Agency)

Packed eggs in cartons, class A, in Euro per 100 pieces

Size		Oct. 3 - 7, 2003	Oct. 4 - 8, 2002	Percent change
XL	> 73 g	19.45	15.20	28.0
L	63 - 73 g	18.70	13.90	34.5
M	53 - 63 g	17.75	13.15	35.0
S	< 53 g	14.95	12.45	20.1

(Norddeutsche Eiernotierung)

Source: ZMP (German Central Market- and Price Reporting Agency)

Some of the factors that caused egg prices to climb this year include: the Avian Influenza outbreak this spring caused many laying hen facilities in the Netherlands, Belgium and Germany to be depopulated; increased mortality and reduced laying productivity in some regions due to the hot summer; increased minimum space requirements from 450 square centimeters to 550 square centimeters resulting in 20% fewer birds in the same space; and a ban in Germany that started in January, 2003 on the construction of new cages.

The tighter supplies have resulted in higher prices and a significant increase in chicken egg imports from the United States (US) into EU countries such as Germany. In the first seven months of 2003 Germany imported 14.2 million in-shell eggs and 484,940 hatching eggs from the U.S. versus 306,000 and 55,800 for the same period in 2002. In order to avoid the high EU import duties on the in-shell eggs, the eggs are processed into items such as liquid or dried eggs, egg yolks and egg whites and exported within a six month period.

Europe, meanwhile, continues experience various disease threats. Newcastle disease was detected in Sweden on October 23, 2003 in a hobby flock. Turkey farmers, meanwhile, are getting worried about Black head disease, a deadly liver disease that can kill a turkey in a week. The disease has already hit farmers in Germany, France and Holland. Turkeys affected now could affect the availability of product in Europe for the Christmas holidays. Emtryl, a drug that protected turkeys from the disease, was banned in May, 2003 due to a potential cancer link in humans.

Source: USDA/FAS and other news sources

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending October 25, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	458	400	14,294	17,040
Frozen	0	0	96	21
Dried	41	9	479	763
Total	499	409	14,869	17,824

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending October 25, 2003	Year-To-Date			
	2003	2002/1	2003	2002
Liquid	103	77	5,005	5,353
Frozen	39	89	3,072	3,021
Dried	0	34	1,104	4,448
Total	142	200	9,181	12,822

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending October 25, 2003	Year-To-Date			
	2003	2002 /1	2003	2002
Jumbo	17	0	404	1,307
Extra Large	1,320	1,500	26,852	36,420
Large	5,910	2,400	103,485	122,770
Medium	1,320	1,500	53,648	43,093
Ungraded	3,540	11,280	155,838	301,985
Misc	780	0	14,642	14,017
Total	12,887	16,680	354,869	519,592

Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

31-OCT-2003				
CHICKEN				
PRICES VOLUME				
(Cents per Pound)				
FAT	FROZEN	FRESH	TOTAL	EXPORT

CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

PRICES VOLUME				
(Cents per Pound)				
FAT	FROZEN	FRESH	TOTAL	EXPORT

CONTENT				
15% OR LESS				
RANGE	18.00-22.00	13.00-18.00	202,400	-
WTD AVERAGE	20.00	16.33		
15-20%				
RANGE	15.00-21.50	10.50-15.00	1,937,600	1,121,600
WTD AVERAGE	19.00	12.97		

20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 25-Oct-03  
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,137	1,383	2,520
LAST WEEK	1,164	1,378	2,542
SAME WEEK YR AGO	1,842	1,530	3,372
TO-DATE/2003	62,617	60,306	122,923
TO-DATE/2002	75,661	60,753	136,414

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	100	4	104
LAST WEEK	92	0	92
SAME WEEK YR AGO	212	7	219
TO-DATE/2003	9,820	141	9,961
TO-DATE/2002	13,224	265	13,489

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,237	1,387	2,624
LAST WEEK	1,256	1,378	2,634
SAME WEEK YR AGO	2,054	1,537	3,591
TO-DATE/2003	72,437	60,447	132,884
TO-DATE/2002	88,885	61,018	149,903

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

31-OCT-2003				
CHICKEN				
PRICES VOLUME				
(Cents per Pound)				
FAT	FROZEN	FRESH	TOTAL	EXPORT

CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

PRICES VOLUME				
(Cents per Pound)				
FAT	FROZEN	FRESH	TOTAL	EXPORT

CONTENT				
15% OR LESS				
RANGE	15.75-22.00	18.00	1,334,000	1,254,000
WTD AVERAGE	18.06	18.00		
15-20%				
RANGE	16.00-30.00	11.00-15.00	2,260,000	1,116,000
WTD AVERAGE	27.25	11.79		

20% OR MORE				
RANGE	-	11.00	41,000	-
WTD AVERAGE		11.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 31 OCTOBER 2003.**

Trade sentiment on de strapped tenderloins and fresh tom breast meat was steady to instances weak. Offerings adequate to ample for the seasonally slow buyer interest. Trade sentiment on frozen tom breast meat was mostly steady. Demand spotty with a heavy volume of frozen tom breast meat reported at 118 cents delivered December, 2003 - January, 2004. Offerings adequate. The undertone was steady to fully steady on breast trim, steady on scapula with some unsettledness starting to be noted, wing meat with skin mixed. Demand light to instances fair. Frozen offerings of breast trim were light at best, scapula spotty with instances of increased availability noted, wing meat with skin uneven ranging light to instances fully adequate mostly light to adequate. Trading for November shipments centered on a moderate volume of tom 2-joint wings, balance slow. Livers traded at 17.50 cents delivered pet foods.

**FRIDAY, OCTOBER 31, 2003**
**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	41.00-44.00		42.09	184	42.38	604
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	43.00		43.00	520	42.46	676
TAILS	25.00		25.00	40	24.67	60
MECHANICALLY SEPARATED 4/	27.00		27.00	40	27.00	40
THIGH MEAT - FROZEN	95.00		95.00	40	94.00	80

**THURSDAY, OCTOBER 30, 2003**
**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	42.50-43.50		43.00	208
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM		W	40.67	156
TAILS		W	24.00	20
MECHANICALLY SEPARATED 4/		R	24.33	120
THIGH MEAT - FROZEN		W	93.00	40

**WEDNESDAY, OCTOBER 29, 2003**
**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	41.00		41.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	38.00-42.00		40.67	156
TAILS	24.00		24.00	20
MECHANICALLY SEPARATED 4/		R	24.33	120
THIGH MEAT - FROZEN	93.00		93.00	40

**TUESDAY, OCTOBER 28, 2003**
**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		M	43.00	108
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	24.00	40
MECHANICALLY SEPARATED 4/		R	24.33	120
THIGH MEAT - FROZEN		R	94.00	200

**MONDAY, OCTOBER 27, 2003**
**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	43.00		43.00	108
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		R	24.00	40
MECHANICALLY SEPARATED 4/		R	24.33	120
THIGH MEAT - FROZEN		R	94.00	200

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.